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THE CASE OF RAILROAD EMPLOYEES FOR AN EIGHT-HOUR DAY

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Any discussion of the eight-hour day for transportation workers is now limited to a presentation of the opposing points of view. Data are not available upon which to base a conclusive verdict as to the merits of the practical phases of the controversy. To a large extent, a discussion of the matter is at the present time, as President Wilson has stated, "an adventure in conjecture." It was for this reason that he recommended the establishment of a commission to gather the facts bearing upon an eight-hour working day in the railroad service before the actual adoption of such a working basis for railway operations.

There can be little dispute as to the desirability of having a shorter work day in the transportation industry and other branches of industrial activity. During the year and a half of ceaseless controversy which has characterized the current movement for an eight-hour day for transportation workers, railroad officials have not attacked the fundamental principle involved. All their opposition has been centered upon the practical aspects of the matter. Their argument has been that from the technical standpoint of railway operation the shorter work day cannot be adopted if the present efficiency and earnings of the railroads are to be maintained. This is another way of saying that on the present basis of railway earnings the companies cannot afford to meet the alleged increase in operating costs which would follow the establishment of the rule that eight hours should constitute a day's work.

The real opposition is one of expense. How large or how small the additional expenditure may be, no one knows. If the facts have been compiled, they have not been made available. They cannot be obtained from the data in the published reports of the railroads or those which are filed at the Interstate Commerce Commission. The results of the work of the eight-hour commission must be awaited before any satisfactory light can be secured upon

this fundamental point in the controversy. Stated in its practical form the questions as to an eight-hour day, therefore, are: What will the adoption of an eight-hour day by the railroads cost? Does the public consider the railroads able to pay for an eight-hour day? If not, does the public so believe in the principle that it is willing to pay for it if any payment in the form of increased freight and passenger rates is necessary?

The railroad employes have a firm conviction as to the fairness and justice of their request for an eight-hour day. From the standpoint of the employes in freight train service, the fundamental need for an eight-hour day is based on the fact that working conditions have reached a stage where they are practically unendurable. Under the best conditions, the requirements of railway service are very onerous. Train and engine employes are subject to calls for duty at all hours of the day and night; a large part of their time must be spent in terminals away from their homes and families; in their work, the normal danger of accident or death is very great; they constantly bear heavy responsibilities for the safe handling of lives and valuable property entrusted to their care.

These conditions of employment are quite different from any which prevail among workers in mines, the manufacturing industries or among skilled artisans. They are necessarily incidental, however, to the operation of trains. Engine and train crews expect to meet these conditions when they accept work. When to these more or less natural conditions of employment, however, there have been added arduous labor and heavy responsibilities arising from the desire of the railway managements to secure larger revenues, the situation has become one against which they find it absolutely necessary to enter a protest.

During recent years, railway operating officials have constantly striven to secure greater efficiency or, stated in other words, have attempted to lower the costs of operation by adding to the length and tonnage of freight trains. The development of heavier freight train loads and larger freight train earnings per mile has been the goal of all railway operating officials. Engines of greater and greater tractive power have been installed, freight cars of constantly increasing capacity have been built, the number of cars in trains has been increased, the roadbed has been strengthened, heavier rails laid, new bridges constructed, grades reduced and curves elim-

inated,—all for the purpose of getting heavier trains over the roads with the object in mind of reducing operating costs. Railway officials discovered that it was cheaper in many instances to load the engines to the limit—to the point where they could only drag the trains over a division at a very slow speed—than it was to send two trains of half the weight over the division in a shorter space of time. Although some overtime must needs be paid to the enginemen and trainmen, the railroad experts estimated that it would be cheaper to pay this for the heavier trains than it would be to have to meet the wages of two crews for the lighter trains.

The general purpose of curtailing operating expenses and increasing profits, in its bearing upon the well-being of employes, was commendable if it had been kept within proper bounds. But the so-called "tonnage craze" was pressed forward to such an extent that railway workers believe they have become its victims. The factor of speed in moving trains was eliminated by railroad officials and working conditions quickly reached a stage which employes declared intolerable. Slower speed meant that a longer time was required for a train to pass from one terminal to another. Engine and train crews which had formerly been paid on a mileage basis were practically confined to an hourly basis of compensation and the opportunity for increasing their earnings was curtailed. They received compensation for time worked in excess of ten hours, but the physical disadvantages of being so long on duty, not to mention the unsatisfactory conditions arising from being absent from home for such extended periods, far exceeded any pecuniary considerations. With such conditions of employment railroad employes were forced to request a shorter working day.

The excessive hours of labor to which engine and train crews have been subjected in recent years may be quickly shown by a few statements from official sources. According to the sworn statements of the railroads in a recent wage arbitration case, out of each thousand engineers and firemen employed by the western railroads in freight service in October, 1913, eight hundred and seventy-seven had a working day of more than ten hours, three hundred and forty-seven more than twelve hours, one hundred and eighty-one worked thirteen hours or more, seventy-two worked fourteen hours or longer, and thirty out of each thousand employed averaged fifteen hours or longer a day. In through or irregular

freight service alone, 35 per cent, and in local or way freight service, 54 per cent of the engineers and firemen averaged twelve hours or longer each day. On certain divisions of some of the western railroads, the normal working hours were even in excess of these averages.¹

As to the eastern operating district, the railroads in 1913, during the course of arbitrations with their eastern employes, submitted exhibits which showed for October, 1912, firemen and other employes in slow freight service were on duty on an average for all roads, eleven hours and forty minutes. In the case of some railroads, the average time on duty each day was more than fourteen and fifteen hours. In local freight work and wreck train service, the average daily working time of engine and train crews in eastern territory was more than twelve hours.²

Engine and train employes do not deny that through direct negotiations with the railroads, or by mediation and arbitration proceedings, they have, during recent years, secured advances in their rates of pay. On the other hand, they do not concede that advances in operating costs of the railroads have been primarily due to added outlays to transportation employes. Train and engine crews, they claim, have given to the transportation companies more than they have received in increased rates of pay. This fact is clearly shown, they declare, by the reports of the railroads themselves to their stockholders and to the Interstate Commerce Commission. Although engineers, firemen, conductors and trainmen have received advances in rates of pay during recent years, they have had to work harder, and have handled more traffic each year for each dollar of additional compensation received.

Transportation employes are piece-workers. They are engaged in handling freight and passenger traffic. The requirement for a standard day's work is to haul so many tons of freight or so many passengers 100 miles. If the weight of a freight train is increased the cost to the railroads for labor in handling each ton of freight 100 miles is less.

The growth in weight of freight trains has been more rapid than

¹Arbitration—Western Railroads and Brotherhoods of Locomotive Engineers and Firemen 1914–1915. Railroad Exhibit No. 29.

²Arbitration—Eastern Railroads and Brotherhoods of Conductors and Trainmen 1913. Railroad Exhibits Nos. 9, 10.

the advances in rates of pay to transportation employes. Engine and train crews have transported proportionately a greater volume of freight than they have received increases in wages. As a consequence, the labor cost to the railroads of engine and train crews has decreased.

During the course of the recent arbitration between the western railroads and their engineers and firemen, it was shown that the proportion of total operating expenses arising from payments to transportation employes was 14 per cent less in 1913 than in 1890. In 1913 it was also shown that wage payments to transportation employes required only nineteen cents out of each dollar of revenue earned by western railroads as compared with twenty-one cents out of each dollar of revenue in 1890. When considered on the basis of freight tonnage, it was found that it cost the railroads for wages to locomotive engineers and firemen sixty-five cents for each 1,000 tons carried one mile in 1890, while, in 1913, engineers and firemen transported 1,000 tons one mile for only thirty-three cents, a decrease in cost to the railroads, for these employes alone, during this period of slightly more than 50 per cent. It was also shown further by exhibits submitted during the western arbitration that during the more recent period, 1900–1913, the cost to the transportation companies for wages of engineers and firemen decreased 12 per cent for each 1,000 tons of freight hauled one mile.³

The latest reports filed at the Interstate Commerce Commission also bear out these statements. If all the railroads of the United States—including the best and the worst, the prosperous and the insolvent—be grouped together as one operating system, their reports to the Interstate Commerce Commission show that in 1914 it cost them in wages of engineers and firemen only 31.1 cents to transport 1,000 tons of freight one mile, as compared with 42.7 cents in 1895. In other words, during the past twenty years, the cost to the railroads in wages of engine crews for hauling freight declined more than 27 per cent. The reduction by geographical districts may be quickly seen from the accompanying statement.

From a technical standpoint, the employes assert that the eight-hour day is practicable because it already is in successful operation on a considerable proportion of the railways in the United

³Arbitration—Western Railroads and Brotherhoods of Locomotive Engineers and Firemen 1914–1915. Employees Exhibits Nos. 31, 32, 33.

WAGES TO ENGINEERS AND FIREMEN, 1895 AND 1914.

District	Wages paid for hauling 1,000 tons one mile		Per cent of decrease, 1914 over 1895
	1895 (Cents)	1914 (Cents)	
East	35.8	29.3	18.1
South	40.3	32.4	19.6
West	56.0	33.0	58.9

States. Locomotive engineers now have an eight-hour day in through freight service on 55 per cent, and locomotive firemen on 20 per cent of the railroad mileage of the South. In this territory west of the Mississippi, about 5 per cent of the total number of miles of road operated have an eight-hour day for engineers and 3 per cent have the same working day for firemen.

As to the cost of an eight-hour day under a strict application of the eight-hour day principle to railroad operations, it would be necessary in many instances for the railroads either to shorten the distance between terminals or to reduce their freight train loads so as to be able to maintain a speed basis of twelve and one-half miles an hour or a hundred miles in eight hours. Either of these measures, when necessary, would add to the cost of railway operations. According to the original requests of the transportation employes, however, no costly terminal changes would be necessary. It was acknowledged by the employes that it would be impracticable to compel railroads to change their division points so that each and every division should be 100 miles apart. Special provision was made in the first article of the requests of employes that so long as the mileage of an engine or train crew was equivalent to or exceeded twelve and one-half miles an hour, there would be no increased compensation to employes for overtime. If terminals were 150 miles apart, for example, the railroads would escape all overtime penalty if they did not keep their engine and train employes on duty longer than twelve hours.

An eight-hour day in passenger service, the employes contend, would not cost the railroads a single dollar, because the daily minimum of a 100 miles is accomplished in less than eight hours. During the recent arbitration case between western railroads and their

engineers and firemen, the railroads presented elaborate statements based on their official train sheets and other records for the month of October, 1913, which was one of the busiest months in railroad history during the past fifteen years. This exhibit showed that the average time of 78 per cent of through or irregular freight service on all railroads west of the Mississippi River in October, 1913, between terminals 112 miles apart was eight hours and twenty-four minutes. Transportation employees, therefore, in almost four-fifths of the through or irregular freight service in the West, which constitutes about three-fifths of all freight train mileage, do produce their 100 miles, the standard for a day's pay, within seven hours. It would follow, according to these sworn statements of the railroads, that on slightly less than half of the freight traffic of the West the adoption of the eight-hour day would require no additional labor outlay. The remaining 22 per cent, or slightly more than one-fifth of the total through freight trains, accomplished their runs at a speed of less than ten miles an hour, and were twelve hours and eighteen minutes between terminals 102 miles apart, or would require twelve hours between terminals 100 miles distant from each other. Additional outlay would, therefore, probably be required for the adoption of an eight-hour day on only one-fifth of the through freight service in the West. No overtime at an advance of 50 per cent over regular rates, however, would be paid unless the railroads found such overtime payments to be profitable. The traffic could be sent over the heavy divisions in lighter trains, which would make a speed of twelve and one-half miles an hour. Under any change in operating conditions which might be made, only 7 per cent of the total pay roll would be affected for the reason that through or irregular freight train mileage constitutes only 32 per cent of the total train mileage of the West and only 22 per cent of this proportion would involve a longer working day than eight hours.

In the case of local or way freight, and in construction or work train branches of the service, it was also shown, by exhibits presented in the western arbitration already referred to, that about 30 per cent of the local freight trains in the West accomplished their runs at a speed greater than ten miles an hour. Approximately 70 per cent of the local freight traffic, therefore, is handled in the West by engine and train crews which work longer than eight hours each day. But local or way freight train mileage in the West constitutes only about

12 per cent of total train mileage, and as only 70 per cent of this would be below the speed of twelve and one-half miles an hour, only 8 per cent of the aggregate wage outlays for employes engaged in handling trains would be affected by an eight-hour day.

In the case of yardmen, switchmen and hostlers, who have a definite working day of ten hours or more, it is true that it would be necessary to reduce the working day arbitrarily, and the railroads would face a theoretical decrease of from 10 to 20 per cent in hours of service. Manifestly, there would be no overtime penalty payments, however, for work necessary beyond eight hours a day would be done by additional shifts.⁴

These illustrations from western operating experiences, the employes assert, are representative of operating conditions in the country as a whole. In the East the proportion of freight trains which operate at a speed less than ten miles an hour is greater than in the West, because of greater volume and density of eastern traffic, and the kind of commodities transported. In the southeastern states, the proportion of freight train mileage made on a speed basis greater than ten miles would be greater than in the West. The general average of the country as a whole would, therefore, correspond approximately to the western situation and would indicate that the financial aspects of the requests for an eight-hour working day need not cause serious apprehension. Even should an added outlay be required, this does not imply that the public would have to pay the additional cost in the form of higher freight rates.

The matter of increased passenger and freight rates is one which, in the opinion of employes, must needs be adjusted between the railroads and the public. There are two inquiries in this connection which the public has a right to make and relative to which it should be able to expect explicit and satisfactory replies. In the first place, is there any reason to believe that the prosperity which the railroads are now enjoying, will not continue? It is a well-known fact that the gross and net earnings of the railroad companies are now larger than they have ever been in their history. After the temporary breakdown at the opening of the great European conflict, the war orders for ammunition and supplies gave the first revivifying impulse to traffic. This was followed, however, by an expansion of

⁴Arbitration—Western Railroads and Brotherhoods of Locomotive Engineers and Firemen. Railroad Exhibit No. 10.

domestic trade and industry which will continue, according to the best authorities, after the present foreign war has terminated. Moreover, the unusual traffic and profits of war orders will undoubtedly remain for some time in the future. The verdict of those who conservatively pass upon such matters is that for several years to come the extraordinary profits arising from the transportation of war materials as well as the large gains springing from the activity of permanent trade and industry, will steadily continue. It is incumbent upon the railroads, therefore, to show cause why these tremendous increases in net revenue are not sufficient to cover, without an advance in freight rates, whatever cost may attach to the adoption of an eight-hour day, as well as leave a surplus available for a liberal return on old or new capital investment.

It is also a well-known fact, the employes assert, that had the financial administration of the railroads in past years been efficient and proper, the financial status of the transportation industry would now be all that could be desired. Hundreds of millions of dollars, which have been dissipated by indefensible methods in past years, would now be available. Many more millions of dollars, which each year are taken from operating revenues and disbursed as dividends and interest charges on fictitious stocks and bonds, could, it is stated, also have been used for the benefit of employes, stockholders and patrons, if the railroad companies had been properly managed in former years. As it is, many state governments have already passed legislation requiring security issues, reorganizations, and consolidations of the railroads to be passed upon by public utility commissions. Similar legislation is pending in Congress and is now being considered by a joint committee. With the general application of such legislation as well as other like proposals, there will be assurance as to the actual investment in railroad property and a more equitable distribution of earnings. Under these conditions, revenues may be adequate to meet any increased operating costs, and provide new capital without recourse to an advance in freight charges. At any rate, if the public should deem it wise to authorize advances in rates, they could have the assurance that the proceeds would be used for the purpose intended.

The employes claim that their attitude in requesting an eight-hour day is thoroughly consistent with their previous arguments

for higher rates of pay. Although they have received some wage advances, their contention is that they have by no means had a fair share in the revenue gains arising from their increased productivity. To the extent to which the railroads may find it necessary to reduce train loads in order to maintain a speed of twelve and one-half miles an hour, or an eight-hour day, it is claimed there will be earnings remaining arising from the increased work and productivity of transportation employes in the past, sufficient to compensate fully the railroads for any difference in labor costs. They request a share in past gains in productive efficiency for which they claim they have not been remunerated—a share not in actual money, but in terms of shorter hours or of improved working conditions and general well-being.